



TOWN OF ELLINGTON

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ELLINGTON, CONNECTICUT 06029-0187

BOARD OF FINANCE

ROBERT J. CLEMENTS
Chairman

BOARD OF FINANCE BUDGET HEARING TUESDAY, MARCH 24, 2009 MINUTES

RICHARD J. CLEARY
MARK A. JOYSE
BARRY C. PINTO
MICHAEL D. VARNEY
JOSEPH E. WEHR

Members Present: R. Clements-Chairman, R. Cleary, M. Joyse, B. Pinto, M. Varney and J. Wehr

Others Present: N. DiCorleto-Fin Officer, M. Stupinski-First Selectman, J. Prichard, A. Miller, J. Turner, L. Burstein,-Selectmen, P. Potamianos-Budget Advisory, D. Davis-Emergency Management, Sgt. W. Konieczny, several residents

Chairman Robert Clements called the meeting to order at 7:30 PM.

Opening Statement

The Chairman turned the presentation over to the First Selectman.

Board of Selectmen Budget FY 2009-10

Mr. Stupinski stated that the budget grand total is a 3.52% increase. He feels this is a reasonable budget but the revenues make it difficult. He went through and explained the items with large increases.

He stated that the Town Clerk's budget increase is due to contracted salary increases. He stated that these budget numbers include the union salary increases in each applicable line but that the non-union employees' estimated increases are in the salary adjustment account. Mr. Stupinski worked up the numbers and if the salaries were frozen at this year's rates, the Town Hall contracted employee increases would save \$50,000, the DPW increases \$32,560 and the Non- Union salaries \$13,500 which would save the Town a total of 2.8%.

Emergency Management has an increase of 11.91% which will be offset by grants not shown on this spreadsheet. The Police Account still assumes that the Governor's proposed initiative will not go forward. It still assumes no reduction in the contribution by the State.

General Town Roads has an increase for salaries. The Town Aid Winter account is based a 3-year average and material prices have increased. This is also the same for Town Aid Maintenance. The Account 451-250 MSW/Bulky Waste increase is offset by the user fees. There are also rebates on recycling received periodically.

The WPCA budget went down 40% due to the replacement of some pump station equipment in this fiscal year budget that will not have to be purchased for 2009-10. The Crystal Lake Water Monitor budget of \$20,000 is to keep the maintenance of the milfoil removal going. The North Center Health District budget is driven by population numbers.

The increase in the Senior Center is for additional van hours due to the Dial-A-Ride, Hockanum Valley cut backs. There is an additional Transportation Secretary in this budget also.

The Center Cemetery increase is the first one since 1949, so an increase is reasonable. The old Crystal Lake Schoolhouse budget of \$18,000 are estimated funds needed to keep it running after the renovations. The increase in the Social Security budget is based on overtime and salaries. The Public Works Dept. has budgeted 200 hours of overtime and pay increases of 3.25%. The \$5,000 budget for the Ad Hoc Graduation Committee is in this budget. Mark Joyse did some research on this and found that the Board of Education does not charge them for custodial services for the party. The 950 Account Insurance is for all insurances in town.

Mr. Joyse asked if there were any projects in the budget that were submitted for stimulus funds and Mr. Stupinski stated no. The Town submitted several projects and received a rejection on the Pinney Rd widening due to the fact that it was not on a federal road list.

Mr. Cleary asked where the reductions could be made to this budget. Mr. Stupinski stated that this budget does not add any services, it keeps things level.

Mr. Wehr asked Mr. Stupinski about the Pinney House funds being used for other things such as the Crystal Lake Schoolhouse. Mr. Stupinski stated that the architect is working on the bid specs now, and Mr. Santini will look at the drawings when they are completed and give his approval or disapproval. He feels that if the project cannot go further, then that would be the only reason to use the funds elsewhere. The opportunities for grant money increases when the building becomes preserved.

Mr. Miller passed out a request to the Board of Finance to cut the Insurance Account 950 and subsequently revised the memo for typos and a miscalculation (both attached).

Mr. DiCorleto stated that this budget as it presently submitted equals a 2.4 mill rate increase.

MOVED (CLEARY) SECONDED (WEHR) AND PASSED TO ADJOURN THE HEARING AT 8:35 PM.

Respectfully submitted:



Lori Smith, Recording Secretary

From: Leo Miller, Member of the BOS
To: Members of the Board of Finance
March 24, 2009
Re: Insurance (Line 950) in the 2009/2010 Budget

I advocate that you cut the \$1,869,812 requested by \$100,000 to \$1,769,812 by reducing sub-line 5151 Group health Insurance (Anthem BC/BS) from \$1,103,547 to \$1,003,547.

History

There has been a pattern of large increases in this line item over the past three years, particularly in sub-line 5151. Last year, the administration had requested \$1,909,900, of which \$1,152,000 was for sub-line 5151 Anthem BC/BS (Group Health). The request for sub-line 5151 was 49.33% higher than the \$771,431.15 actually spent two years earlier in FY 2006/2007). It was also apparent that the request was over \$200,000 more than needed. I couldn't get any back-up information to support the request from February to April. Therefore, in order to leave room for unanticipated increases, I requested that you appropriate \$150,000 less than the amount requested. You agreed to a cut of \$100,000. My estimate that Line 950 was \$200,000 too high turned out to be too conservative. The budget request was \$300,400 more than the \$1,609,500 amount now estimated by the administration to be spent for FY2008/2009, and within that, the original request for sub-line 5151 was \$252,000 more than the administration now says is needed for FY 2008/2009.

I noted also that the actual expenditure for sub-line 5151 for 2007/2008 was \$,816,837.98, a 10.59% increase over the \$771,431.15 for 2006/2007, and that the estimated expenditure for 2008/2009 is \$900,000, an increase of 10.18% over the 2007/2008 amount, and only 16.67% higher than for FY2006/2007 two years earlier. Contrast that with the 49.33% increase that the 2008/2009 sub-line 5151 budget request constitutes over the actual amount spent two years earlier in FY2006/2007.

I would also draw your attention to the columns labelled "2008/2009 Estimated Actuals" and "2009-10 Budget Request" in the 2009/2010 Budget Document. Note that the \$1,103,547 amount requested for sub-line 5151 for 2009/2010 is 22.6% over the estimated total of \$900,000 for 2008/2009. The Board of Finance needs to ask some questions and get some reasonable answers regarding the Group Health budget request.

One BOS member said he did not have any problem with these inflated budget requests, but, for transparency sake, the citizens of the Town should get an opportunity to approve what are our best efforts in creating a realistic budget, not one which includes a built-in fund which, in effect, provides an opportunity to overspend and over tax.

March 25, 2009

From: Leo Miller

To: Members of the Board of Finance

Re: 2009-10 Budget – Insurance Line Item 950 and Sub-line 5151

When I arrived at home and reviewed the memo given to you at the BOF meeting last night, it was apparent there were some typos, including a percentage in line 2 of paragraph 4. It was also apparent that a few minor changes would improve the readability, and there was no point in singling out any BOS members respecting their opinions on the issue.

Accordingly, I have asked Lori Smith to forward the attached copy of the revised memo to you. Your use of this memo and the 2008-09 BOS Budget Request document in examining the relevant items in the BOS Budget Request for 2009-10 should prove useful.

A handwritten signature in black ink, appearing to read "Leo Miller". The signature is written in a cursive, flowing style with a large initial "L" and "M".

From: Leo Miller, Member of the BOS
To: Members of the Board of Finance
March 24, 2009 – Revised Copy of my memo of earlier today to clarify & correct typos
Re: Insurance (Line 950) in the 2009/2010 Budget

I advocate that you cut the \$1,869,812 requested by \$100,000 to \$1,769,812 by reducing sub-line 5151 Group Health Insurance (Anthem BC/BS) from \$1,103,547 to \$1,003,547.

History

There has been a pattern of large increases in this line item over the past three years, particularly in sub-line 5151. Last year, the administration had requested \$1,909,900, of which \$1,152,000 was for sub-line 5151. The request for sub-line 5151 was 49.33% higher than the \$771,431.15 actually spent two years earlier in FY 2006/2007. It was also apparent that the request was over \$200,000 more than needed. I couldn't get any back-up information to support the request from February to April. Therefore, in order to leave room for unanticipated increases, I requested that you appropriate \$150,000 less than the amount requested. You agreed to a cut of \$100,000.

However, my estimate that Line 950 was \$200,000 too high turned out to be too conservative. The budget request was actually \$300,400 more than the \$1,609,500 amount now estimated by the administration to be spent for FY2008/2009, and within that, the original request of \$1,152,000 for sub-line 5151 was \$252,000 (28%) more than the \$900,000 the administration now estimates is needed for FY 2008/2009.

I noted also that the actual expenditure for sub-line 5151 for 2007/2008 was \$816,837.98, a 5.89% increase over the \$771,431.15 for 2006/2007. The \$900,000 estimated expenditure for 2008/2009 is an increase of 10.18% over the 2007/2008 amount and only 16.67% higher than for FY2006/2007 two years earlier. Contrast that with the 49.33% increase that the 2008/2009 sub-line 5151 budget request constitutes over the actual amount spent two years earlier in FY2006/2007.

I would also draw your attention to the columns labelled "2008/2009 Estimated Actuals" and "2009-10 Budget Request" in the 2009/2010 Budget Document. Note that the \$1,103,547 amount requested for sub-line 5151 for 2009/2010 is 22.6% over the estimated total of \$900,000 for 2008/2009.

The Board of Finance needs to ask some questions and get some reasonable answers regarding the Group Health budget request. For transparency sake, the citizens of the Town should get an opportunity to approve what are our best efforts in creating a realistic budget, not one which includes a built-in fund which, in effect, provides an opportunity to overspend and over tax.

